

DEPARTMENT OF SOCIAL SERVICES

FINANCIAL SUMMARY

	FY 2003 EXPENDITURE	FY 2004 APPROPRIATION	FY 2005 REQUEST	GOVERNOR RECOMMENDS FY 2005
Office of Director/Administrative Services	\$ 55,706,937	\$ 76,695,001	\$ 71,978,600	\$ 72,293,641
Family Support Division	582,418,505	496,755,137	495,089,190	503,739,492
Children's Division	406,775,198	502,759,442	513,051,507	515,472,543
Division of Youth Services	56,623,502	58,691,640	58,695,567	59,610,794
Division of Medical Services	4,547,771,999	4,424,398,846	5,075,359,153	5,072,178,244
DEPARTMENTAL TOTAL	\$ 5,649,296,141	\$ 5,559,300,066 *	\$ 6,214,174,017	\$ 6,223,294,714
General Revenue Fund	1,106,405,491	1,203,065,524	1,461,503,843	1,388,606,574
Federal Reimbursement Allowance Fund	636,367,882	639,024,174	639,024,174	619,417,017
Pharmacy Reimbursement Allowance Fund	48,578,108	63,121,242	63,148,557	63,148,557
Title XIX - Federal and Other Funds	2,472,196,686	2,373,102,138	2,727,348,347	2,727,862,616
Nursing Facility Federal Reimbursement Allowance Fund	181,545,953	193,253,784	218,253,784	218,253,784
Temporary Assistance for Needy Families - Federal Funds	162,667,584	154,858,388	159,358,388	159,730,494
DSS - Federal and Other Funds	537,524,892	579,680,624	571,266,925	576,612,160
Uncompensated Care Fund	91,179,332	87,900,001	87,900,001	91,000,001
Pharmacy Rebates Fund	77,886,599	60,410,679	83,550,869	96,551,200
Third Party Liability Collections Fund	14,689,951	15,220,250	15,219,339	12,645,805
Intergovernmental Transfer Fund	164,043,831	33,000,000	33,000,000	114,600,000
Division of Family Services Donations Fund	11,250	134,000	134,000	134,000
Child Support Enforcement Collections Fund	12,956,898	13,907,496	13,453,605	13,626,532
Nursing Facility Quality of Care Fund	80,209	81,627	80,314	81,716
Health Initiatives Fund	19,790,128	20,272,488	20,500,691	20,523,104
Gaming Commission Fund	500,000	500,000	500,000	500,000
DSS Administrative Trust Fund	4,791,072	6,229,503	6,228,568	6,229,279
DSS Educational Improvement Fund	4,679,882	6,237,835	5,502,984	5,555,357
Blind Pension Fund	19,319,532	23,257,577	24,132,316	24,148,400
Healthy Families Trust Fund-Health Care Treatment and Access Account	50,953,976	50,959,100	50,959,100	50,959,100
Legal Services for Low-Income People Fund	1,010,830	2,000,000	0	0
Youth Services Product Fund	0	0	25,000	25,000
Youth Services Treatment Fund	0	1,000	1,000	1,000
Early Childhood Development, Education and Care Fund	27,888,061	16,077,696	16,077,272	16,078,078
Premium Fund	3,127,034	4,837,940	4,837,940	4,837,940
Alternative Care Trust Fund	11,100,960	12,167,000	12,167,000	12,167,000
Full-time equivalent employees	9,049.44	8,906.22	8,636.22	8,646.84

* Does not include \$207,520,526 recommended in the Fiscal Year 2004 Supplemental Appropriations, including \$20,259,276 general revenue. See the Supplemental section of the Missouri Budget for details regarding the Department of Social Services supplemental appropriations.

DEPARTMENT OF SOCIAL SERVICES

POLICY SUMMARY

Governor Holden's budget for Fiscal Year 2005 provides a total of \$6.2 billion for the Department of Social Services. Each day the department provides services for over two million Missourians. The core functions provided by the Department of Social Services include:

Children's Division

- A new division, dedicated to protecting the welfare of children, was created as a result of the reorganization of the department in 2003. Reassigning the child protection programs formerly in the Division of Family Services to the new Children's Division helps to better address the health and safety of Missouri's children. The programs include foster care, child abuse and neglect investigations, children's treatment, purchase of childcare, and adoption assistance.

Income Maintenance

- As a result of the reorganization of the department in 2003, the new Family Support Division is responsible for all income support programs. The programs administered by the division include: Temporary Assistance for Needy Families, Food Stamps, Energy Assistance, Blind Pension, Supplemental Aid to the Blind, Domestic Violence, and Medicaid eligibility. In addition, the Family Support Division now administers many of the child support functions previously performed by the Division of Child Support.

Youth Services

- The Division of Youth Services provides case management, community care, and aftercare to youth committed to the state's custody for various crimes. The Juvenile Court Diversion Program works with local communities to help prevent juvenile crime and provide treatment for youth in their own communities.

Medicaid Programs

- The Division of Medical Services is responsible for the efficient and effective delivery of health care to the state's neediest citizens, including the elderly and the disabled, poor children, and working parents.

MAKING LIFE BETTER FOR CHILDREN

Governor Holden ordered a review of the child welfare system in 2003 as the result of the tragic death of a Missouri child. In response to the findings of the review, the Governor directed a reorganization of the department and created a division which focused on the health and safety of children. Together with the Judiciary, the General Assembly and child advocates from across the state, the Governor has worked to develop a comprehensive system to protect all children. While there have been many changes in Missouri's Child Welfare Program, some areas are still in need of improvement. In order to strengthen the state's child welfare system and expand the opportunities for youth in state custody, the Governor recommends:

- \$9.3 million, including \$6.1 million general revenue, to begin the process of gaining national accreditation for the state's Child Welfare Program from The Council on Accreditation. Children facing abuse or neglect deserve to have a trained and dedicated child welfare team to intervene on their behalf. Building a quality system requires the proper training for child welfare workers and assigning an appropriate number of staff to accomplish the demanding job of protecting every child in the state's care.
- \$1.1 million, including \$521,826 general revenue, to provide fingerprint checks against the Missouri Highway Patrol and the National FBI databases for all those who provide care for children in state custody.
- \$733,283 to provide services for the care, education, and rehabilitation of youth committed to the Division of Youth Services.
- \$25,000 other funds to allow the Division of Youth Services to reinvest proceeds from items made by youth involved in treatment programs to support the ongoing cost to make such products. As a result of this funding, youth can develop skills and pride in creating functional crafts to be sold to the public.

DEPARTMENT OF SOCIAL SERVICES

POLICY SUMMARY (Continued)

PROMOTING SELF-SUFFICIENT INDIVIDUALS AND FAMILIES

While providing a safety net for Missouri's citizens who are in temporary need of financial assistance, the department administers programs that can help individuals reach self-sufficiency. The services provided prepare individuals to enter the job market and overcome barriers that prevent them from retaining employment. The Governor recommends:

- \$924,697 other funds to provide services for an additional 73 Missourians that are eligible for the Blind Pension Program and to increase the monthly benefit payment to all Blind Pension recipients from \$470 to \$479 per month.
- \$5.9 million, including \$5 million general revenue, to provide a cash benefit of \$45 per month to each recipient of the General Relief Program. This benefit can help individuals make copayments on medication or subsidized rental payments. This is the only cash benefit program available to disabled individuals waiting for a social security disability decision.
- \$926,211 federal funds to provide two annual nurse visits in accordance with SB 556 and 311 (2003) to assess elderly clients in cases where there may be abuse or neglect. These visits support efforts that strengthen the ability of the elderly to remain in their homes and communities. The Department of Health and Senior Services has transferred \$586,464 general revenue to the Department of Social Services to support these visits.

In addition, Missouri received two Temporary Assistance for Needy Families (TANF) bonuses from the federal government as a result of high performance in a variety of program categories during Fiscal Years 2001 and 2002. These one-time bonuses totaling \$21.7 million will be invested in programs and technology to help recipients achieve self-sufficiency and help move Missourians from welfare to work. The Governor recommends:

- \$6.5 million federal funds for the anticipated caseload growth in the TANF Program in Fiscal Years 2004 and 2005.
- \$6.8 million federal funds for communication equipment to increase the accuracy and timeliness of application processing for all Income Maintenance programs.
- \$1 million federal funds to help ensure childcare is available for the children of TANF recipients moving from welfare to work.
- \$900,000 federal funds for maintenance of the FAMIS computer system to improve the efficiency of Income Maintenance programs.
- \$4 million federal funds to the Department of Economic Development to provide training for TANF recipients as they prepare to enter employment.
- \$2.5 million federal funds for the Department of Economic Development to help establish a career ladder for TANF recipients moving from welfare to work. Many working parents remain below the poverty level at entry-level jobs. This program will work with employers to help move TANF recipients out of poverty.

STRENGTHENING HEALTH CARE COVERAGE AND ACCESS

Governor Holden supports continued health care coverage for Missouri's most vulnerable citizens. Ways to deliver services in the most cost effective manner possible are continually being explored by the department. Missouri is working to strengthen health care coverage through funding that sustains current Medicaid programs, meets the needs of changing caseloads, and recognizes increased pharmacy costs.

In addition, health care access for the elderly and disabled will improve by increasing the federal poverty level used to determine eligibility from 90 percent to 100 percent. This completes expansion efforts that began with HB 3 which passed during the special legislative session of 2001. The eligibility expansion increases the number of individuals with access to needed health care. Approximately 20,000 elderly and persons with disabilities will be eligible to receive full Medicaid coverage. The Governor recommends:

- \$21.1 million, including \$8.2 million general revenue, to expand Medicaid eligibility for the elderly and disabled from 90 percent of the federal poverty level to 100 percent of the federal poverty level.

DEPARTMENT OF SOCIAL SERVICES

POLICY SUMMARY (Continued)

MEDICAID COST CONTROLS

Despite Medicaid costs increasing at a lower rate in 2003 (9.3 percent) than 2002 (12.8 percent), according to a survey by the Kaiser Commission on Medicaid and the Uninsured, Medicaid Program enrollment in Missouri continues to increase. Because of rising health care costs and the crisis Missouri is currently experiencing with stagnant revenues, the Governor's budget includes numerous cost containment measures to curtail escalating Medicaid expenditures. Even with the implementation of these cost control efforts in the state's Medicaid Program, Governor Holden remains committed to ensuring children continue to receive access to vital health care. During the 2004 session, legislation will be proposed to align state statutes with the Governor's Fiscal Year 2005 cost control proposal. Fiscal Year 2005 cost control efforts include:

Pharmacy cost containment

Fiscal Year 2005 cost containment measures include expansion of disease management and case management efforts. Diseases currently included in the disease state management initiative are asthma, diabetes, chronic heart failure, and depression. Program expansion may include chronic obstructive pulmonary disease, high blood pressure, hyperlipidemia, and gastroesophageal reflux disease/peptic ulcer. Estimated general revenue savings in Fiscal Year 2005 for this pharmacy cost containment proposal are \$1.7 million. The continued implementation of the preferred drug list will save about \$17.4 million additional general revenue.

Copayments for medical services

Governor Holden recommends copayment requirements on recipients receiving medical services in the Medicaid Program. Nominal copayments should encourage prudent use of services and are consistent with private industry practice and cost containment efforts undertaken by other states. In-home services, nursing homes, and children's services are not included. Estimated general revenue savings in Fiscal Year 2005 are \$9.9 million.

Lowering the asset test for the State Children's Health Insurance Program (SCHIP)

Asset limits for the SCHIP will be reduced from \$250,000 to \$25,000. The asset limit also will be redefined for consistency with other Medicaid eligibles, including resource exclusions of the homestead, one vehicle, property used directly by the claimant in the course of claimant business, and all assets currently excluded for the elderly and persons with disabilities. The limit reduction will affect approximately one percent of current SCHIP recipients. This change is necessary to ensure only those families who cannot afford private insurance are covered by SCHIP. Estimated general revenue savings in Fiscal Year 2005 are \$105,520.

Streamlining certain reimbursements to the Medicare rate

The Governor recommends limiting the reimbursements to physicians and nursing facilities to amounts that, with the Medicare payment, do not exceed what the state's Medicaid Program would have paid for that service. Missouri will join five other states that have implemented this type of provider payment cost control. Estimated general revenue savings in Fiscal Year 2005 are \$17 million.

Reducing Non-Emergency Medical Transportation (NEMT) costs

As a method to generate additional savings in the Medicaid Program, the Division of Medical Services will discontinue the existing contract for NEMT as of June 30, 2004, and rebid it in order to better control costs. In addition, this change will enhance the federal match rate on NEMT. Estimated general revenue savings for Fiscal Year 2005 are \$2.4 million.

Medical support orders

A revenue maximization project has been initiated to evaluate potential savings from medical support orders. These orders will shift health care expenditures for children from Medicaid to the private health insurance policies of their non-custodial parents. The savings from this effort will be determined as the project progresses.

Other cost control efforts

Efforts to increase recovery of third party revenues will be bolstered with the addition of staff who will work to recoup Medicaid expenditures from private insurers. In addition, the department will implement a Medicare Correct Coding Initiative which may result in savings in physician services. Estimated general revenue savings are \$1.7 million in Fiscal Year 2005.

In order to address health care cost increases, the Governor's Fiscal Year 2005 budget includes:

- \$220.6 million, including \$77.6 million general revenue, for the additional anticipated costs of existing Medicaid programs.
- \$191 million, including \$74.5 million general revenue, for increased costs and utilization of the Pharmacy Program.
- \$140.5 million, including \$38.9 million general revenue, for anticipated caseload increases.
- \$42.9 million, including \$15.4 million general revenue, to fund the managed care trend factor. The July 2004 through December 2004 managed care trend factor is 11 percent in the eastern and central regions and 7 percent in the western region. For January 2005 through June 2005, the pharmacy inflation factor is 13 percent with the non-pharmacy increase set at 5 percent.
- \$32 million federal funds for enhanced payment rates targeted to improve the quality of care for nursing home residents.
- \$8 million, including \$3.1 million general revenue, for increases in Medicare Part A and B premiums.

DEPARTMENT OF SOCIAL SERVICES

POLICY SUMMARY (Continued)

IMPROVED EFFICIENCY

Missouri has always been a low tax state and has, therefore, provided only essential services at a very low cost. The state's already low tax level combined with two consecutive years of declining revenue have led to significant reductions in many programs. However, under Governor Holden's leadership, state agencies have minimized the negative impact on services by dramatically reducing administrative costs and by developing ways to provide remaining services in the most efficient way possible.

The Department of Social Services has aggressively improved the services it provides and reduced administrative costs by:

- Identifying significant savings through the Medicaid Pharmacy Program. In Fiscal Years 2002 and 2003, pharmacy cost containment measures, such as prior authorization and clinical edits, led to a savings of \$336 million in state and federal funds. These cost containment measures included special reviews of patients with chronic diseases to improve patient health and reduce drug costs. Efforts to improve health for clients also involved monitoring to avoid over-medication or negative drug interactions, making sure the most efficient drug dosage is prescribed, and using Tele-Medicine to improve patient access to appropriate physician care. Missouri will continue to add additional containment measures, including implementation of a preferred drug list.
- Improving the administration of the Medicaid Program by containing administrative costs relative to program expenditures. In a recent workforce study, Missouri ranked third best in administrative efficiency out of 20 state Medicaid programs.
- Developing a comprehensive, statewide approach to ease the transition of clients affected by federally mandated changes in the spenddown policy of the Medicaid Program.
- Implementing a series of program management efficiency efforts in Missouri's health care plan for low-income children. The efficiency efforts were designed to provide more timely updating of claimant address changes and case closing information into its records system, all resulting in faster claims processing.
- Improving the way the Division of Medical Services (DMS) communicates information to service providers and the public, including increased utilization of Internet and web-based services. Processes involving recipient services also have been streamlined to reduce patients' needs to make repeated contacts to DMS for information. The division's web site was also redesigned to include easy access to public documents and educational information about the Managed Care Program.
- Implementing a department reorganization in Fiscal Year 2004, which has resulted in department-wide efficiencies and provided focus on improving the welfare of children. Concentrating financial support services into the Family Support Division strengthened the department's ability to help families reach their goal of self-sufficiency.
- Making progress in finding adoptive homes for youths in state care and custody. Finalized adoptions have doubled since Fiscal Year 1998, with 1,261 completed adoptions in Fiscal Year 2001 and 1,517 in Fiscal Year 2002. This performance has resulted in Missouri receiving approximately \$1.4 million in incentive awards from the federal government for these two fiscal years.
- Improving program integrity through technology changes that will enhance the review of recipient assets and eligibility through better screening and application processing. Estimated general revenue savings in Fiscal Year 2005 are \$202,606.

CUTS ALREADY MADE

The Department of Social Services has worked to minimize the impact of reduced funding on services. However, the department's funding for services has been cut in recent years.

- A \$75 million state and federal funds cut to Medicaid eligibility in Fiscal Year 2003 resulted in approximately 34,300 Missourians losing health care. This cut means parents in families of three who earn more than \$11,760 per year no longer qualify for Medicaid. The cut also reduced women's health care services; transitional medical assistance for low-income families transitioning from welfare to work; and coverage for low-income, non-custodial parents who were current on their child support payments or participating in the Parent's Fair Share Program. With the loss of access to preventative care, it is possible that many have ended up in emergency rooms and hospitals with more expensive health care needs.

DEPARTMENT OF SOCIAL SERVICES

POLICY SUMMARY (Continued)

- The Grandparents as Foster Parents Program was reduced by a total of \$10.3 million from Fiscal Years 2002 to 2004. Eligible participants have had their reimbursement rate reduced from 75 percent to 25 percent of the foster care rate. This reduces the payment rate from \$202 to just \$68 per month for the 2,500 children served by the program. This has created a financial burden for grandparents who have accepted the responsibility of raising their grandchildren on a fixed income.
- Funding of \$648,792 for the CHOICES Program, which assists foster care youth between the ages of 13 and 15 in becoming responsible adults, was eliminated. This program prepared approximately 1,020 youth annually for the Independent Living Program.
- Community Partnerships were cut by \$4.9 million in Fiscal Years 2002 to 2004, reducing services to more than 70,000 children and low-income families. The 21 Community Partnerships are local decision-making entities that work with state government to coordinate planning, development, and financing of services for children and families. They have been productive in using general revenue funding to leverage local and federal funds to address the social problems of their communities.
- \$2.2 million for cash assistance to legal immigrants was eliminated for about 350 families who cannot qualify for Temporary Assistance. Without access to any safety net, these families are vulnerable, due to language and cultural barriers, to becoming homeless and living in poverty.
- The Juvenile Court Diversion Program was cut by \$1.6 million, reducing the services to 2,000 at-risk youth and 21,000 other youth across the state. Juvenile courts lost 29 percent of the funding received from DSS to help divert juveniles from commitment to the Division of Youth Services.

**DEPARTMENT OF SOCIAL SERVICES
DEPARTMENTAL ADMINISTRATION**

ADMINISTRATIVE SERVICES

Departmental Administration includes the director, the director's staff, and the personnel and labor relations section. The director sets policy for the department, forges public/private partnerships to help meet department goals, and ensures implementation of its mandates. The personnel and labor relations section administers a personnel program and human resource management system to serve the department's employees.

The Division of Budget and Finance provides a centralized budgeting and expenditure review and control process and manages federal grants with a value of over \$5 billion. Additional responsibilities include maintenance of support mechanisms to ensure timely payments to clients, vendors and staff, and timely receipt and disposition of the department's revenues.

The Division of General Services provides a variety of services that support the operations of the department, including operating the department's centralized mailing center that processes over 23 million pieces of mail annually, working with telecommunications systems, providing necessary minor office renovations, and coordinating the inventory and distribution of office equipment and furniture.

The Division of Legal Services is responsible for providing legal services for all of the divisions within the department, due process hearings for recipient appeals, legal advice and representation for children in the custody of the Children's Division, investigating fraud and abuse of public assistance programs, and conducting background investigations on department employees prior to employment. The division also includes the State Technical Assistance Team (STAT) responsible for assisting in the investigation of child abuse and neglect, child exploitation, and child fatality cases.

The Information Services and Technology Division is responsible for the development, maintenance, and operation of the department's data processing systems, including mainframe and PC network operations. The division processes data on recipients and vendors, prints checks and vendor payments, provides technical support, and provides management reports to other divisions in the department.

Fiscal Year 2005 Governor's Recommendations

- \$346,148 for pay plan, including \$167,907 general revenue.
- (\$2,000,000) other funds core reduction in Legal Aid Grants.
- (\$1,946,239) federal funds and (4.18) staff in core reduction due to excess federal authority.
- (\$469,629) and (11.13) staff in core reduction from the Fiscal Year 2004 appropriation level, including (\$248,986) general revenue.
- (\$304,040) federal funds reallocated from Federal Grants and Donations to the Children's Division for adoption continuum grant funding.
- (\$27,600) one-time core reduction from savings related to the National Medical Support Notice, including (\$9,384) general revenue.

**DEPARTMENT OF SOCIAL SERVICES
FAMILY SUPPORT DIVISION**

FAMILY SUPPORT ADMINISTRATIVE SERVICES

Administrative Services provides management, coordination, and general direction to all Family Support Division programs. The division director and staff monitor the efficiency and effectiveness of and provide policy direction for Income Maintenance and Child Support programs. Administrative Services also provides financial management and operational services, human resource support, and systems support to Income Maintenance and Child Support Enforcement field staff.

Fiscal Year 2005 Governor's Recommendations

- \$1,020,327 cost-to-continue for increased Electronic Benefits Transfer (EBT) expenses due to food stamp caseload growth included in the Fiscal Year 2004 supplemental request and to fund Fiscal Year 2005 projected monthly caseload growth, including \$543,732 general revenue.
- \$367,500 for contract expenses related to the medical support orders revenue maximization project, including \$124,950 general revenue.
- \$87,000 to fund system changes needed to meet requirements for SB 556 and 311 (2003), including \$43,500 general revenue.
- \$146,420 for pay plan, including \$16,164 general revenue.
- (\$489,173) federal funds and (5.89) staff in core reduction due to excess federal authority.
- (\$474,297) and (11) staff in core reduction from the Fiscal Year 2004 appropriation level, including (\$90,846) general revenue.
- (\$437,490) and (15) staff reallocated to Child Support Enforcement field staff, including (\$148,746) general revenue.
- (\$90,383) and (4.5) staff reallocated to the Children's Division for reorganization of the department that occurred in Fiscal Year 2004, including (\$11,751) general revenue.
- (\$89,276) one-time core reduction from the Fiscal Year 2004 appropriation level, including (\$30,354) general revenue.

INCOME MAINTENANCE

Income Maintenance staff provides intake services, information and referral, and eligibility determinations for applicants of financial services provided by the department. Funds in these sections support the salaries, general operating expenses and training for Income Maintenance caseworkers, administrative and supervisory staff, and clerical support positions in Family Support offices.

Temporary Assistance for Needy Families (TANF) – TANF is a program designed to provide temporary assistance/relief to families to promote self-sufficiency so parents do not remain dependent on welfare payments and children do not grow up in poverty. Under the federal welfare reform in 1996, TANF was designed to be a temporary assistance which, coupled with a myriad of other support services, would enable parents to find and retain employment; thereby, enabling them to support their families without government assistance. Missouri continues to implement new, innovative programs designed to meet the diverse needs of TANF recipients.

Adult Supplementation – The federal government assumed responsibility for Old Age Assistance, Aid to the Permanently and Totally Disabled, and Aid to the Blind programs in January 1974 when it created the Supplemental Security Income (SSI) Program. Recipients who are eligible for SSI, but who receive smaller benefits than their December 1973 payments, receive payments from the state equal to the difference. Recipients who are not eligible for SSI, but who received payments under one of the earlier programs, receive payments from the state equal to the amount they received in December 1973. The caseload has been declining since 1973 as recipients die, become ineligible through income changes, or leave the state.

Grandparents as Foster Parents – Caring for a grandchild often places additional financial, social, and psychological strain on grandparents with fixed incomes. Grandparents as Foster Parents was established to provide payments to grandparents who have either legal guardianship or legal custody of their minor grandchildren.

Nursing Care – This state-funded program makes monthly cash payments to residents of nursing and residential care homes who are eligible for Medicaid, but occupy a facility not certified for Medicaid, or who receive care in a Residential Care I or II facility. The type of facility appropriate for clients is to a great extent dictated by their level of need for care. Minimal medical care is provided in Residential Care I, more in Residential Care II, and significantly more in Intermediate Care. Supplemental Nursing Care recipients also are provided an allowance each month for personal needs such as toiletries, transportation, and hair care.

Blind Pension and Supplemental Aid to the Blind – Three separate programs assist blind persons. The first, Supplemental Aid to the Blind, pays benefits to those who meet certain income requirements. The second, Blind Pension, aids the blind that do not qualify for Supplemental Aid to the Blind and who do not own property – excluding homes – worth more than \$20,000. Currently both programs provide a maximum monthly grant of \$470 unless the claimant qualifies for a higher payment by residing in a licensed nursing home. The third program, Adult Supplemental Payments, aids those who received state assistance before the federal SSI Program began in 1974, but who receive less from SSI than from the earlier program. New cases that meet the state's 1973 guideline also may be certified for assistance. All of these programs are funded from an earmarked state property tax that provides revenue to the blind pension fund.

**DEPARTMENT OF SOCIAL SERVICES
FAMILY SUPPORT DIVISION**

INCOME MAINTENANCE (Continued)

Community Services Block Grant (CSBG), Emergency Shelter Grants, Homeless Funding, and Refugee Assistance – CSBG funds are used to address six causes of poverty: unemployment, inadequate education, malnutrition, inadequate housing, unmet emergency needs, and poor use of income. Federal statutes require that 90 percent of CSBG funding be passed through to Community Action Agencies. The Emergency Shelter Grants Program provides grants to local governments to be used for renovation or conversion of buildings for emergency shelters and to help meet the cost of emergency shelter operations. Homeless Challenge Grants offer local communities matching funds to establish programs to combat homelessness. The Refugee Assistance Program provides services to help refugees overcome language barriers, acquire or adapt vocational skills, and adjust to their new environment.

Food Distribution – The federally funded Food Distribution Program enables Family Support to store, ship, and distribute processed surplus commodity food to eligible individuals, families, charitable institutions, and organizations.

Energy Assistance – The Low-Income Home Energy Assistance Program (LIHEAP) is a federally funded block grant which provides heating assistance payments, crisis assistance, and weatherization services to low-income households.

Domestic Violence – This program provides grants to local communities for family violence shelters or services. Grants may be used for emergency shelters, counseling, and education services for families in community-based shelters.

Fiscal Year 2005 Governor's Recommendations

- \$5,900,000 to provide a \$45 monthly benefit for General Relief recipients, including \$5,000,000 general revenue.
- \$4,500,000 federal funds for caseload growth in the TANF Program.
- \$509,626 other funds for caseload growth in the Blind Pension Program.
- \$467,194 for anticipated caseload growth in the Supplemental Nursing Care Program.
- \$458,937 cost-to-continue the Fiscal Year 2004 supplemental appropriation payments due to the caseload growth to the Supplemental Nursing Care Program.
- \$415,071 other funds to increase the Blind Pension benefit payment by \$9 per month.
- \$201,597 to implement the program integrity initiatives which will result in savings for Income Maintenance programs, including \$135,070 in general revenue.
- \$1,713,513 for pay plan, including \$511,304 general revenue.
- (\$2,015,975) and (56.04) staff in core reduction from the Fiscal Year 2004 appropriation level, including (\$356,058) general revenue.
- (\$1,500,000) reallocated to the Children's Division for reorganization of the department that occurred in Fiscal Year 2004, including (\$448,500) general revenue.
- (\$25,000) core reduction in the Adult Supplemental Payments Program due to caseload decline.
- (49.31) staff core reduction due to privatization of the Energy Assistance Program.

SERVICES FOR THE BLIND

Professional staff in Rehabilitation Services for the Blind counsel and train blind and other visually impaired Missourians, arrange for the purchase of other services, and help the visually impaired find jobs. Services include rehabilitation, vocational rehabilitation, diagnosis and treatment of eye disease, equipment and supplies for blind preschool children, the Public Building Vending Program, and the Readers for the Blind Program.

Fiscal Year 2005 Governor's Recommendations

- \$70,920 federal and other funds for pay plan.
- (\$450,670) federal and other funds and (11.66) staff in core reduction from the Fiscal Year 2004 appropriation level.

CHILD SUPPORT ENFORCEMENT AND DISTRIBUTIONS

Child Support Enforcement staff, with the assistance of the Missouri Automated Child Support System (MACSS), locate missing parents; establish paternity, medical support, and financial child support obligations; and enforce the collection of support payments for TANF and for participating non-TANF families. The state retains approximately 33 percent of all child support collected on TANF cases.

Local Agreements – This funding supports contractual agreements with local governments to assist the division with paternity and other types of child support referrals through the establishment of multi-county full-service centers. Counties pool resources to establish service centers dedicated to child support work.

**DEPARTMENT OF SOCIAL SERVICES
FAMILY SUPPORT DIVISION**

CHILD SUPPORT ENFORCEMENT AND DISTRIBUTIONS (Continued)

Reimbursement to Counties – This program provides reimbursement to counties that have signed a cooperative agreement with the Department of Social Services (DSS). Child support collection and prosecution costs incurred by the counties are reimbursed by the federal government at a rate of 66 percent.

Federal Reimbursement/Local Incentives – This appropriation provides a mechanism to disburse payments to families when the payment was collected by the department, to pay federal incentives to the county governments, and to refund some overpayments from income tax returns.

State Tax Refund Distribution – This appropriation provides a mechanism for reimbursing non-custodial parents for child support payments over-collected from state tax returns.

Fiscal Year 2005 Governor's Recommendations

- \$59,248 federal and other funds to implement the program integrity initiatives in the Child Support Enforcement Program.
- \$563,310 for pay plan, including \$8,537 general revenue.
- \$437,490 and 15 staff reallocated from Family Support Division Administration for Child Support Enforcement field staff, including \$148,746 general revenue.
- (\$4,038,118) and (50.1) staff in core reduction from the Fiscal Year 2004 appropriation level, including (\$355,199) general revenue.
- (\$323,416) transferred to the Department of Revenue, including (\$33,062) general revenue.

**DEPARTMENT OF SOCIAL SERVICES
FAMILY SUPPORT DIVISION**

FINANCIAL SUMMARY

	FY 2003 EXPENDITURE	FY 2004 APPROPRIATION	GOVERNOR RECOMMENDS FY 2005
Number of Families Receiving TANF (Annually)	46,734	48,539	50,252
Average Monthly Payment Per Household	\$235	\$235	\$235
Family Support Administration	\$ 11,055,665	\$ 27,356,861	\$ 27,397,489
Family Services Administration	166,694,848	0	0
Income Maintenance Field Staff and Operations	0	93,484,591	91,940,789
Income Maintenance Staff Training	0	677,837	677,837
Community Partnerships	15,871,804	10,119,613	10,067,467
Direct Client Support	10,194,692	0	0
Food Stamp Training	3,852,828	5,380,036	5,370,232
Temporary Assistance for Needy Families (TANF)	133,099,627	135,833,466	140,333,466
Grandparent Foster Care	6,015,068	2,403,070	2,403,070
Adult Supplementation	191,497	210,000	185,000
Supplemental Nursing Care	25,496,511	25,538,684	26,464,815
General Relief	9,348,032	100,000	6,000,000
Supplemental Security Income	2,516,479	4,000,000	4,000,000
Blind Pension	18,567,876	20,580,572	21,505,269
Refugee Assistance	3,724,555	3,812,553	3,812,553
Community Services Block Grant	18,170,596	19,144,171	19,144,171
Homeless Challenge Grant	407,584	500,000	500,000
Emergency Shelter Grants	1,340,000	1,340,000	1,340,000
Food Distribution Programs	1,000,000	1,000,000	1,000,000
Energy Assistance	41,147,463	40,794,695	40,799,582
Domestic Violence	5,330,115	5,987,653	5,987,653
Blind Administration	4,138,083	5,051,084	4,671,334
Services for the Visually Impaired	6,337,959	6,734,935	6,734,935
Parent's Fair Share Program	1,520,821	0	0
Child Support Field Staff and Operations	0	38,915,316	35,613,830
Child Support Enforcement Administration	46,323,280	0	0
Child Support Distributions	50,073,122	47,790,000	47,790,000
TOTAL	\$ 582,418,505	\$ 496,755,137	\$ 503,739,492
General Revenue Fund	118,456,853	87,586,735	93,545,353
Department of Social Services - Federal Funds	421,940,685	374,171,240	374,584,938
Other Funds	42,020,967	34,997,162	35,609,201

DEPARTMENT OF SOCIAL SERVICES

CHILDREN'S DIVISION

The Children's Division Administrative Services provides management, coordination, and general direction for all Children's Division programs. The division director and staff monitor the effectiveness of programs that promote permanency for Missouri's children. Administrative Services provides policy direction, financial management and operational services, and human resource support to field staff.

Purchase of Childcare – A key to successful welfare reform and the prevention of abuse and neglect is access to quality, affordable childcare. Without childcare assistance, many parents could not participate in job training, education, or maintain employment in order to become self-sufficient and end their dependence on government assistance. Without such assistance, the risk of children being left in unsafe environments also increases. In the 1998 legislative session, the General Assembly passed HB 1519. This bill created the early childhood development, education and care fund to support programs to improve the availability of, and access to, quality childcare and programs that prepare children to enter school ready to succeed. Because children learn more from the ages of zero to five than during any other developmental period, the availability of quality childcare is essential to preparing children for school.

Children's Treatment Services, Child Abuse and Neglect Grant, and Intensive In-Home Services – This program provides intensive family-centered services to child abuse victims and their parents. Specific services include family therapy, homemaker services, respite care, parent aides, childcare, crisis nursery services, and incentive subsidies to encourage local units of government to develop community programs to combat child abuse and neglect. The Family Reunification Program provides home-based services aimed at reuniting children with their families. The Family Preservation Program provides intensive, in-home services to help prevent placement of children in foster care and keep children with their families.

Foster Care, Children's Account, Adoption Subsidy, and Subsidized Guardianship – The Foster Care Program provides monthly room and board payments for children in the custody and care of the Children's Division. Current payment rates for homes of traditional foster parents, relatives, and kinship for age groups are as follows: 0-5 years, \$227; 6-12 years, \$277; and 13 and over, \$307. There are special placements with different rates, including Behavioral or Medical Foster Care (\$657 per month) and Career Foster Care (\$47 per day). Homes may also receive an additional \$100 per month, per child, for attending professional parenting classes. Payments also are made for non-Medicaid medical and dental services, clothing, transportation, foster parent training, and other needs. Children in state custody may receive funds from a variety of sources, including child support payments. These monies are used to offset the cost of maintaining the child in foster care and to pay for any special expenses of the child.

The Adoption Subsidy Program and Subsidized Guardianship Program provide financial assistance to parents who adopt special needs children.

Children's Programs Pool – In the Fiscal Year 1992 budget, a separate pool appropriation was developed for services for children and families. Each line item for the following children's programs was reduced by ten percent to create a Children's Programs Pool: Children's Treatment Services, Family Preservation, Foster Care, Adoption Subsidy, and Independent Living. This pooled appropriation allows flexible spending within these children's service areas and Residential Treatment.

Residential Treatment, Independent Living, and IV-E Court Contracts – Residential facilities are used when foster care cannot meet the children's treatment needs. The division contracts with a wide range of treatment programs ranging from small group homes to large, self-contained, resident campuses. Facilities must be licensed and meet the division's standards for alternative care. Transitional/Independent Living programs assist foster care children, ages 15 to 21, in learning the necessary skills for the transition from foster care to adult independent living in the community. Court Contracts through the IV-E Program allow family support to pass through federal funds to be used for reimbursement to counties for children placed in the custody of the juvenile court and who are placed in juvenile court residential facilities.

Psychiatric Diversion – This program's primary purpose is to keep children out of expensive inpatient psychiatric hospitals, while providing them with the necessary services to help them deal with their severe behavioral and emotional problems.

Fiscal Year 2005 Governor's Recommendations

- \$9,258,160 to begin the process of gaining national accreditation for the state's Child Welfare Program, including \$6,098,458 general revenue.
- \$1,098,580 for fingerprint checks through criminal background screenings for child placement providers, including \$521,826 general revenue.
- \$2,229,087 for pay plan, including \$844,123 general revenue.
- \$1,500,000 reallocated from the Family Support Division for reorganization of the department that occurred in Fiscal Year 2004, including \$448,500 general revenue.

DEPARTMENT OF SOCIAL SERVICES

CHILDREN'S DIVISION (Continued)

- \$304,040 federal funds reallocated from Federal Grants and Donations in Departmental Administration for adoption continuum grant funding.
- \$200,000 transferred from the Department of Health and Senior Services for the Nurses for Newborn Program.
- \$90,383 and (4.5) staff reallocated from the Family Support Division for reorganization of the department that occurred in Fiscal Year 2004, including \$11,751 general revenue.
- (\$1,967,149) and (51.67) staff in core reduction from the Fiscal Year 2004 appropriation level, including (\$293,695) general revenue.

FINANCIAL SUMMARY

	FY 2003 EXPENDITURE	FY 2004 APPROPRIATION	GOVERNOR RECOMMENDS FY 2005
Average Number of Children Receiving Childcare Per Month	46,824	46,824	46,824
Individuals Served Through Children's Treatment	2,825	2,825	2,825
Families Receiving Intensive In-Home Services	1,596	1,596	1,596
Children in Residential Treatment Centers (Average Per Month)	1,860	1,860	1,860
Children Receiving Independent Living Services (Annual Federal Fiscal Year)*	3,960	3,960	3,960
Number of Children Receiving Psychiatric Diversion Services	508	508	508
*FY 2003 Projected since FFY 2003 data is not yet available			
Children's Administration	\$ 0	\$ 7,301,581	\$ 7,073,286
Children's Field Staff and Operations	0	68,558,065	79,850,479
Children's Staff Training	0	1,581,618	1,581,618
Children's Treatment Services	13,814,476	13,812,017	14,012,017
Foster Care	38,422,604	44,037,106	45,135,686
Adoption and Subsidized Guardianship	46,381,336	60,119,159	60,423,199
Independent Living	5,171,123	5,084,018	3,020,000
Transitional Living	0	0	2,064,018
Children's Programs Pool	26,356,588	18,944,251	18,944,251
Child Assessment Centers	2,153,725	1,749,583	1,749,583
Residential Treatment Centers	69,727,146	69,672,123	69,672,123
Psychiatric Diversion	16,252,651	16,234,013	16,234,013
IV-E Court Contracts	243,610	700,000	700,000
Child Abuse and Neglect Grant	726,043	1,000,000	1,000,000
Foster Care Children's Account	11,100,960	12,000,000	12,000,000
Purchase of Child Care	176,424,936	181,965,908	182,012,270
TOTAL	\$ 406,775,198	\$ 502,759,442	\$ 515,472,543
General Revenue Fund	166,984,802	213,043,851	220,874,814
Federal Funds	200,801,375	261,383,829	266,266,519
Other Funds	38,989,021	28,331,762	28,331,210

DEPARTMENT OF SOCIAL SERVICES

DIVISION OF YOUTH SERVICES

The Division of Youth Services (DYS) is divided into three functional areas: Management and Development, Residential Services, and Alternative Services.

Management and Development is the central administrative unit with overall responsibility for designing, implementing, managing, and evaluating all programs operated by the division. Five regional offices supplement the efforts of central office staff and assure program efficiency and effectiveness at the local level.

Residential Services provides youthful offenders with structured rehabilitation programs when placement at home is no longer an option. Educational Services, a component of this program area, provides academic and vocational education to youth in residential placement. The division has seven secure facilities: Northwest Regional Youth Center in Jackson County, Hogan Street Youth Center in St. Louis City, Fulton Treatment Center in Callaway County, Mount Vernon Treatment Center in Lawrence County, Hillsboro Treatment Center in Jefferson County, Riverbend Treatment Center in Buchanan County and Montgomery City Youth Treatment Center in Montgomery County. The division also operates 19 moderately secure facilities and six community-based facilities.

Alternative Services helps youthful offenders adjust to acceptable norms of behavior. The division provides several types of alternative services: case management and classification; community care which includes day treatment, intensive supervision, and alternative living; aftercare; and the Juvenile Court Diversion Program. Case management and classification involves evaluating youths' needs before they are assigned to one of the division's programs and managing their service delivery plan during their entire length of stay with the division. Community care involves treatment of youth in the community without the youth being placed in a DYS facility. Alternative living purchased by the division includes foster care and proctor care for juveniles who cannot return to their home. Day treatment programs provide education and treatment services for youth who continue to live at home. Intensive supervision provides tracking and mentoring to youth in the community. Aftercare is the provision of counseling and other services to help juveniles return to their families and communities when released from one of the division's facilities. Finally, the Juvenile Court Diversion Program encourages local communities to develop programs to divert youth from commitment to DYS.

Fiscal Year 2005 Governor's Recommendations

- \$733,283 to replace one-time education funds for youth in the custody of DYS.
- \$25,000 other funds for the appropriation authority to reinvest proceeds generated by youth in the custody of DYS into materials needed to make products.
- \$920,351 for pay plan, including \$709,793 general revenue.
- (\$733,283) other funds to reduce one-time education funds for youth in the custody of DYS.
- (\$26,197) and (one) staff in core reduction from the Fiscal Year 2004 appropriation level, including (\$21,308) general revenue.

**DEPARTMENT OF SOCIAL SERVICES
DIVISION OF MEDICAL SERVICES**

FINANCIAL SUMMARY

	FY 2003 EXPENDITURE	FY 2004 APPROPRIATION	GOVERNOR RECOMMENDS FY 2005
Administrative Services	\$ 50,392,477	\$ 51,839,796	\$ 52,103,547
Medicaid Vendor Payments and Managed Care	4,464,159,025	4,335,814,868	4,980,939,140
State Medical	33,220,497	36,744,182	39,135,557
DIVISIONAL TOTAL	\$ 4,547,771,999	\$ 4,424,398,846	\$ 5,072,178,244
General Revenue Fund	766,198,860	849,745,877	1,020,166,041
Federal Funds	3,371,809,304	3,304,037,734	3,662,897,666
Uncompensated Care Fund	91,179,332	87,900,001	91,000,001
Pharmacy Rebates Fund	77,886,599	60,410,679	96,551,200
Third Party Liability Collections Fund	13,942,522	14,065,287	11,481,125
Intergovernmental Transfer Fund	153,602,019	33,000,000	114,600,000
Nursing Facility Quality of Care Fund	80,209	81,627	81,716
Health Initiatives Fund	18,992,144	19,360,601	19,603,455
Healthy Families Trust Fund-Health Care			
Treatment and Access Account	50,953,976	50,959,100	50,959,100
Premium Fund	3,127,034	4,837,940	4,837,940

ADMINISTRATIVE SERVICES

Medical Services staff oversees the operation of the Medicaid, SCHIP and State Medical programs. Responsibilities include provider reimbursement; provider enrollment and relations; monitoring changes in the health care professions and their payment structures; maintaining liaison with federal agencies involved in medical services; developing policies and procedures for the operation of the program; and developing new, innovative methods of controlling health care costs through managed care plans, alternative care programs, third party liability collections and other management initiatives.

Fiscal Year 2005 Governor's Recommendations

- \$1,835,182 and 11 staff to provide increased staff and contract support for Medicaid cost control efforts, including \$770,623 general revenue.
- \$54,630 federal funds and one staff to maximize pharmacy tax collections.
- \$181,697 for pay plan, including \$67,995 general revenue.
- \$1,660,756 reallocated from the Pharmacy Program to separate Pharmacy Program Management core funding, including \$726,746 general revenue.
- (\$2,268,514) and (19.4) staff in core reduction from the Fiscal Year 2004 appropriation level, including (\$161,845) general revenue.
- (\$1,200,000) federal funds core reduction from the Fiscal Year 2004 appropriation level due to managed care contract rebid.

MEDICAID VENDOR PAYMENTS AND MANAGED CARE

The Medicaid Program (Title XIX of the Social Security Act) is a federal-state effort to pay the health care of those who cannot pay for their own care. Federal law sets the minimum provisions for any state that opts to administer a Medicaid Program. These include hospital, physician, laboratory, skilled nursing home care, home health care, and family planning services. Other allowable optional services in Missouri's Medicaid Program are prescription drugs, clinic services, ambulance, adult daycare, personal care services, homemaker and chore services, durable medical equipment, psychiatric services, rehabilitation services, long-term care, hospice, dental, and case management. The program also pays for Medicare premiums for eligible individuals.

The 1115 Waiver is a federal-state effort to pay for the health care of uninsured children up to 300 percent of poverty, extended transitional medical assistance for adults, and women's health services. Adults receiving Medicaid as a result of this waiver will receive a commercial package of services equivalent to that offered to State of Missouri employees. Children will receive a package equal to Medicaid coverage without non-emergency transportation.

The State Medical Program allows child welfare services and Blind Pension recipients who are not eligible for the federal Medicaid Program to receive necessary non-institutional, nursing facility, and hospital medical care.

**DEPARTMENT OF SOCIAL SERVICES
DIVISION OF MEDICAL SERVICES**

MEDICAID VENDOR PAYMENTS AND MANAGED CARE (Continued)

**MEDICAID EXPENDITURES
SELECTED SERVICES AND ANNUAL TOTALS**

	FY 2003 EXPENDITURE	FY 2004 APPROPRIATION	GOVERNOR RECOMMENDS FY 2005
Average number of Fee-for-Service eligibles*	463,736	504,000	504,000
Average monthly cost per eligible for Fee-for-Service*	\$691.84	\$754.00	\$822.00
Average number of eligibles enrolled in managed care*	372,537	413,000	413,000
Average monthly cost per eligible for managed care*	\$136.19	\$146.00	\$156.00
Number of children receiving health care through 1115 Waiver	80,435	91,301	91,301
Average monthly cost per child in the 1115 Waiver	\$100.33	\$110.00	\$120.00
Number of EPSDT Screenings	97,823	98,000	98,000
*Excludes 1115 Waiver			
Pharmacy	\$ 821,212,590	\$ 937,749,272	\$ 1,230,540,023
Physician	270,056,656	295,097,283	324,935,944
Dental	13,320,301	9,363,572	32,236,460
Home- and Community-Based Services	264,545,191	275,122,935	295,448,348
Nursing Homes	430,044,641	446,053,834	405,908,715
Rehabilitation and Specialty Services	118,388,216	119,782,670	141,853,385
Managed Care	625,024,783	742,649,674	826,504,811
Hospital Care	519,637,573	607,215,339	664,181,300
Safety Net Hospitals	0	23,000,000	23,000,000
Medicaid Supplemental Pool	411,476,969	73,026,926	154,198,085
FRA, NFFRA, and UCC	607,941,664	595,000,000	627,000,000
Children's Health Insurance Program	91,812,941	84,841,848	112,919,740
Department of Elementary and Secondary Education Services	0	33,230,000	33,369,908
Mental Health Services	209,427,184	0	0
Health and Senior Services	666,587	4,191,968	4,191,968
Other Medicaid	80,603,729	89,489,547	104,650,453
Total	\$ 4,464,159,025	\$ 4,335,814,868	\$ 4,980,939,140

**DEPARTMENT OF SOCIAL SERVICES
DIVISION OF MEDICAL SERVICES**

MEDICAID VENDOR PAYMENTS AND MANAGED CARE (Continued)

Fiscal Year 2005 Governor's Recommendations

- \$220,559,827 for additional anticipated costs of existing Medicaid programs to ensure that all program cores are sufficiently funded to meet projected expenditures, including \$77,567,633 general revenue.
- \$157,033,625 to address the anticipated increases in the Pharmacy Program due to new drugs, therapies, and inflation, including \$59,911,534 general revenue.
- \$140,525,951 for anticipated caseload increases in Medicaid programs, including \$38,851,444 general revenue.
- \$85,000,000 federal and other funds to process hospital payments.
- \$32,000,000 federal funds to align nursing facility appropriations with projected expenditures.
- \$31,584,173 for increased costs and utilization of pharmacy prescriptions by the elderly and those with disabilities, including \$12,245,184 general revenue.
- \$25,044,862 to apply a 13 percent pharmacy trend factor and a 5 percent non-pharmacy trend factor for both utilization and cost component increases for managed care in the eastern, central, and western regions, including \$8,898,264 general revenue.
- \$23,140,500 other funds to align appropriations with anticipated pharmacy rebate revenue growth from implementation of a preferred drug list.
- \$21,094,611 to expand Medicaid eligibility for the elderly and disabled from 90 percent of the federal poverty level to 100 percent of the federal poverty level, including \$8,178,381 general revenue.
- \$17,805,639 for the remaining months of the 2004 managed care trend factor, including \$6,455,597 general revenue.
- \$8,916,898 for an adjustment to address the change in the federal participation percentage, including \$8,237,504 general revenue.
- \$8,048,508 to compensate for anticipated increases in Medicare Part A and B premiums, including \$3,118,995 general revenue.
- \$4,809,296 to meet ongoing reimbursement needs to out-of-state hospitals, including \$1,864,564 general revenue.
- \$3,228,966 other funds to replace general revenue in the core Children's Health Insurance Program and the 1115 Waiver-Adult program.
- \$3,158,801 to continue funding for the increase in Medicaid eligibility for the elderly and disabled to 90% of the federal poverty level, including \$1,224,666 general revenue.
- \$926,211 federal funds to provide two annual nurse visits in accordance with SB 556 and 311 (2003).
- \$175,667 for anticipated increases to Medicare hospice rates, including \$68,106 general revenue.
- \$108,200 to fund prostheses and scalp hair prostheses through the Medicaid Managed Care Program in accordance with HB 455 (2003), including \$35,430 general revenue.
- \$586,464 transferred from the Department of Health and Senior Services to support nurse visits.
- (\$24,460,590) core reduction in physician payments due to Medicare repricing, including (\$9,483,371) general revenue.
- (\$21,486,915) core reduction for implementing recipient copayments for selected Medicaid services, including (\$8,330,477) general revenue.
- (\$19,500,000) core reduction in nursing facility payments due to Medicare repricing, including (\$7,560,150) general revenue.
- (\$17,365,500) core reduction for a preferred drug list with supplemental rebates.
- (\$12,956,725) one-time core reduction for nursing facility grant funding, including (\$5,000,000) general revenue.
- (\$8,916,898) core reduction due to changes in the federal participation rates, including (\$616,614) general revenue.
- (\$7,000,000) federal funds core reduction of excess authority in the nursing facility federal reimbursement allowance fund.
- (\$4,923,161) core reduction in nursing homes due to increases in patient surpluses, including (\$1,908,709) general revenue.
- (\$4,500,000) core reduction for expansion of disease state and case management in the Pharmacy Program, including (\$1,744,650) general revenue.
- (\$3,828,841) other funds core reduction of excess authority in the Medicaid Supplemental Pool.
- (\$3,675,003) federal funds core reduction for Medicaid savings from medical support orders that shift health care expenditures for children from Medicaid to the private health insurance policies of their non-custodial parents, including (\$1,424,799) general revenue.
- (\$3,228,966) replaced with other funds in the Children's Health Insurance Program and 1115 Waiver-Adults Program.
- (\$2,358,300) core reduction to enhance the match rate for Non-Emergency Medical Transportation (NEMT).
- (\$1,660,756) reallocated from the Pharmacy Program to separate Pharmacy Program Management core funding, including (\$726,746) general revenue.
- (\$1,449,801) core reduction for application of edits based on the Medicare Correct Coding Initiative, including (\$562,088) general revenue.
- (\$789,888) core reduction for proposed asset limit changes in the Children's Health Insurance Program, including (\$105,520) general revenue.
- (\$522,583) core reduction for savings benefits through program integrity initiatives, including (\$202,606) general revenue.

**DEPARTMENT OF SOCIAL SERVICES
DIVISION OF MEDICAL SERVICES**

STATE MEDICAL

	FY 2003	FY 2004	FY 2005
Caseload average for Child Welfare Services	583	583	583
Caseload average for Blind Pension	2,839	2,839	2,839
Caseload average for the Division of Youth Services	576	576	576

Fiscal Year 2005 Governor's Recommendations

- \$2,391,375 to address the rising costs in the Pharmacy Program due to new drugs, therapies, and inflation.